

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**  
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

13 - 04

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION:

TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH FINANCING ADMINISTRATION  
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
January 1, 2013

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  
42 CFR 447

7. FEDERAL BUDGET IMPACT:

a. FFY 2013 \$ 488,000

b. FFY 2014 \$ 488,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Attachment 4.19-A, Page 23

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

Attachment 4.19-A, Page 23

10. SUBJECT OF AMENDMENT:

Updates the DSH pool dollar amount available to hospitals with an approved agreement between themselves and a university with both a college of allopathic medicine and a college of osteopathic medicine.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Stephen Fitton, Director

Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:

*Stephen Fitton*

13. TYPED NAME:

Stephen Fitton

14. TITLE:

Director, Medical Services Administration

15. DATE SUBMITTED:

March 4, 2013

16. RETURN TO:

Medical Services Administration

Actuarial Division

Capitol Commons Center - 7th Floor

400 South Pine Street

Lansing, Michigan 48933

Attn: Loni Hackney

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPE NAME:

22. TITLE:

23. REMARKS:

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

**Methods and Standards for Establishing Payment Rates  
Inpatient Hospital Care**

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## c. Distinct Part Rehab Units

*Title XIX Charges x Operating Ratio x (IV - 0.2)*

## 2. Special Pools

In addition to the regular DSH pools of \$45,000,000, the single state agency (SSA) is establishing the following special pools:

- a. Effective June 1, 2006, a separate DSH pool will be created annually for areas covered by an Indigent Care Agreement (ICA) approved by the Director of the SSA. The areas covered by an ICA must be within reasonable geographic proximity to the hospital receiving the ICA DSH payment. The ICA must be between the hospital and a partner health care related entity in the area. The ICA must stipulate that direct or indirect healthcare services be provided to low-income patients with special needs who are not covered under other public or private health care programs. This pool will be \$172,343,362 in fiscal year 2006, \$147,687,951 in fiscal year 2007, \$122,707,686 in fiscal year 2008, \$110,937,485 in fiscal year 2009, \$125,001,655 in fiscal year 2010, \$107,926,496 in fiscal year 2011, \$124,803,035 in fiscal year 2012 and each subsequent fiscal year. All payments made under (a) in fiscal year 2006 will occur on or after June 1, 2006. No payment will be made under (a) to any hospital with a contractual obligation to forward that payment to a partner health care related entity in the area.

To be eligible for DSH payments made under (a.), hospitals must meet minimum federal requirements for Medicaid DSH payments and have an approved ICA in place. A table showing the eligible hospitals and their annual allocations from this pool is included in Appendix B.

- b. The single state agency (SSA) is creating a special DSH payment pool of \$2,772,003 million in fiscal year 2005, and \$2,764,340 for each subsequent fiscal years **2006 – 2012, AND \$3,500,000 FOR EACH SUBSEQUENT FISCAL YEAR.**

The purpose of this pool is to:

- Assure continued access to medical care for indigents, and
- Increase the efficiency and effectiveness of medical practitioners providing services to Medicaid beneficiaries under managed care.

The SSA will approve one (1) agreement statewide each state fiscal year. To be eligible for the pool, a hospital must meet the following criteria:

- Meet the minimum federal requirements for DSH eligibility listed in Section III.H.
- Have in place an approved agreement between itself and a university with both a college of allopathic medicine and a college of osteopathic medicine that specifies all services and activities to be conducted.

TN NO.: 13-04

Approval Date: \_\_\_\_\_

Effective Date: 01/01/2013

Supersedes

TN No.: 12-17



STATE OF MICHIGAN

DEPARTMENT OF COMMUNITY HEALTH  
LANSING

RICK SNYDER  
GOVERNOR

JAMES K. HAVEMAN  
DIRECTOR

December 7, 2012

NAME  
TITLE  
ADDRESS  
CITY STATE ZIP

Dear Tribal Chair and Health Director:

**RE:** Ambulatory Surgical Center (ASC) Reduction Factor and Disproportionate Share Hospital (DSH)  
Pool Size Change

This letter, in compliance with Section 6505 of the Affordable Care Act, serves as notice of intent to all Tribal Chairs and Health Directors of the request by the Michigan Department of Community Health (MDCH) to submit a State Plan Amendment.

The Michigan Department of Community Health (MDCH) is notifying you of its intent to submit a State Plan Amendment that will update the ASC reduction factor to maintain budget neutrality for the Medicaid program in response to a Medicare rate change. The change is effective January 1, 2013. In addition, MDCH will increase the size of its DSH pool for a hospital that has an approved agreement between itself and a university with both a college of allopathic and a college of osteopathic medicine to \$3.5 million. These processes will be completed in a manner that is budget neutral to the State of Michigan.

You may submit comments regarding this Notice of Intent to [msapolicy@michigan.gov](mailto:msapolicy@michigan.gov). If you would like to discuss the Notice of Intent, please contact Mary Anne Tribble, Medicaid Liaison to the Michigan Tribes. Mary Anne can be reached at (517) 241-7185 or via e-mail at [tribblem1@michigan.gov](mailto:tribblem1@michigan.gov).

There is no public hearing scheduled for this SPA.

Sincerely,

Stephen Fitton, Director  
Medical Services Administration

cc: Leslie Campbell, Region V, CMS  
Pamela Carson, Region V, CMS  
Ashley Tuomi, MHPA, Executive Director, American Indian Health and Family Services of  
Southeastern Michigan  
L. John Lufkins, Executive Director, Inter-Tribal Council of Michigan, Inc.  
Jenny Jenkins, Acting Area Director, Indian Health Service - Bemidji Area Office  
Mary Anne Tribble, MDCH

**Distribution List for L 12-48  
December 7, 2012**

Mr. Kurt Perron, Tribal Chairman, Bay Mills Indian Community  
Ms. Laurel Keenan, Health Director, Bay Mills (Ellen Marshall Memorial Center)  
Mr. Derek J. Bailey, Tribal Chairman, Grand Traverse Band Ottawa & Chippewa Indians  
Ms. Loi Chambers, Health Director, Grand Traverse Band Ottawa/Chippewa  
Mr. Kenneth Meshigaud, Tribal Chairman, Hannahville Indian Community  
Ms. G. Susie Meshigaud, Health Director, Hannahville Health Center  
Mr. W. Chris Swartz, President, Keweenaw Bay Indian Community  
Ms. Carole LaPointe, Health Director, Keweenaw Bay Indian Community - Donald Lapointe Health/Educ Facility  
Mr. Alan Shively, Tribal Chairman, Lac Vieux Desert Band of Lake Superior Chippewa Indians  
Ms. Terry Fox, Health Director, Lac Vieux Desert Band  
Mr. Larry Romanelli, Ogema, Little River Band of Ottawa Indians  
Mr. Bob Davis, Health Director, Little River Band of Ottawa Indians  
Mr. Dexter McNamara, Tribal Chairman, Little Traverse Bay Band of Odawa Indians  
Ms. Sharon Sierzputowski, Health Director, Little Traverse Bay Band of Odawa  
Mr. DK Sprague, Tribal Chairman, Match-E-Be-Nash-She-Wish Potawatomi Indians (Gun Lake Band)  
Ms. Phyllis Davis, Health Director, Match-E-Be-Nash-She-Wish Potawatomi  
Mr. Homer Mandoka, Vice Tribal Chairman, Nottawaseppi Huron Band of Potawatomi Indians  
Mr. Jon Gardner, Health Director, Huron Potawatomi Inc.- Tribal Health Department  
Mr. Matt Wesaw, Tribal Chairman, Pokagon Band of Potawatomi Indians  
Mr. Arthur Culpepper, Health Director, Pokagon Potawatomi Health Services  
Mr. Dennis V. Kequom Sr, Tribal Chief, Saginaw Chippewa Indian Tribe  
Ms. Gail George, Health Director, Nimkee Memorial Wellness Center  
Mr. Aaron Payment, Tribal Chairman, Sault Ste. Marie Tribe of Chippewa Indians  
Ms. Bonnie Culfa, Health Director, Sault Ste. Marie Tribe of Chippewa Indians - Health Center

**CC:**

Leslie Campbell, Region V, CMS  
Pamela Carson, Region V, CMS  
Ashley Tuomi, MHPA, Executive Director, American Indian Health and Family Services of Southeastern Michigan  
L. John Lufkins, Executive Director, Inter-Tribal Council of Michigan, Inc.  
Jenny Jenkins, Acting Area Director, Indian Health Service - Bemidji Area Office  
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